

# Metrics for Selecting and Evaluating ARFVTP Projects

**Tom Cackette, Consultant**

CEC Workshop  
Measuring ARFVTP Success  
June 12, 2014

# Proposed Projects Should Be Evaluated Against Goals First (GHG Example)

- AB8 states (in part):

*(c) The commission shall provide preferences to those projects that maximize the goals...based on the following criteria...:*

- ...• Consistency with climate change policy...*
- One of the main policies of the current and last Governor is achieving an 80% GHG reduction by 2050.
- Qualitative ranking of proposed projects compared to goal(s) should occur first
  - Goals and their priority should be clearly stated in the investment plan to support the ranking

# Qualitative Evaluation Against the GHG Goal

- Qualitative evaluation of proposed projects
  - Will the project contribute to achieving the goal?
    - Does it appear to be a necessary technology/fuel/infrastructure?
    - Can it have large impact, or is it only a niche player?
    - Even if successful, does it fall short of the goal?
    - Is it the best option(s), or are other approaches more likely to be successful?
    - Is it realistic there is a good business case for the long run?
  - Rate the risk of success
    - Helps strike a balance of funding high risk/high payoff vs. low risk/limited payoff projects
- Assess specific benefits of the project
  - e.g. tons GHG reduced and cost/ton reduced
  - Best for comparing similar projects, but not necessarily good for comparing dissimilar projects
  - Should only be one factor in overall ranking of the project